



APPROPRIATIONS UPDATE

HOUSE COMMITTEE ON THE BUDGET
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COMPARISON OF FISCAL YEAR 2002 EMERGENCY SUPPLEMENTAL APPROPRIATIONS (H.R. 4775)

SUMMARY

The House and Senate versions of the emergency supplemental bill now in conference differ both in funding amounts and in significant budget policy areas.

The Senate version – passed on 7 June 2002, and totaling \$31.5 billion – exceeds the House bill by \$2.7 billion, and is \$4.4 billion more than the amount originally requested by the President. Table 1 below shows the BA and outlay estimates for the President's request, and for the House-passed and Senate-passed bills.

The House and Senate measures also differ in two other significant ways. First, the House bill – passed on 24 May 2002 – gives the President greater control of spending by granting him greater discretion over \$5.3 billion of funds designated for “contingent emergencies.” In contrast, the

Senate bill requires the President to make an “all-or-nothing” choice concerning whether to designate nondefense funding in the bill as emergency spending. When applied, the emergency designation triggers an equivalent increase in the appropriate levels of the budget resolution and the statutory spending caps, which does not require offsets or spending reductions.

Second, the House bill carefully distinguishes, and offsets, spending not related to the terrorist attacks of 11 September; the Senate bill mixes non-war-related spending with contingent emergencies, and does not offset it.

The discussion below focuses on these and other spending and policy differences that must be resolved by the conference committee.

Table 1: Emergency Supplemental Appropriations
(by fiscal year in millions of dollars)

	President	House Passed	Senate Passed	Senate less House
Budget Authority 2002	27,129	28,776	31,515	2,739
Outlays 2002	8,068	7,016	8,637	1,621
Budget Authority 2003	0	1,736	0	-1,736
Outlays 2003	9,921	12,925	11,494	-1,431

Major differences between the House and Senate versions of the bill are found in the following areas:

- **Presidential Spending Control.** The House-passed bill grants the President discretion over the \$5.3 billion designated as “contingent emergencies.” Each line-item appropriation is available for obligation only if the President certifies, after enactment, that the appropriation is for a budgetary emergency. The bill provides the President this discretion at the account

level. In fact, if, in the end, none of the contingent emergency funding was needed, the cost of the House-passed supplemental would be \$1 billion less than the President's original request (\$23.4 billion in non-contingent BA in the House-passed bill versus \$24.4 billion in the President's request).

In contrast, the Senate bill limits the President's discretion to decide if the funds are needed to respond to an emergency. It requires the President to designate

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“all or none” of the nondefense funding contained in the bill as an emergency. In other words, under the Senate measure, the President must agree to all of the Senate-passed nondefense spending to receive any of the homeland security spending he requested.

- **Spending Levels for Defense and Homeland Security.** The House-passed bill provides \$15.9 billion in BA for the Department of Defense [DOD], \$1.9 billion more than the President requested. The amounts above the request are designated contingent emergency appropriations. The Senate-passed bill includes the exact amount of the President’s request for the DOD, or \$14.0 billion in new BA. For homeland security

spending, the House-passed bill provided \$5.4 billion in fiscal year 2002 appropriations, or \$163 million more than the President’s request. The Senate-passed bill provides more than \$8 billion for homeland security, exceeding the President’s request by \$2.7 billion.

- **Emergency Spending Not Related to the War Against Terrorism.** The House-passed bill distinguishes spending related to the war against terrorism from other spending, and fully offsets the 2002 cost of spending not related to the September 11 attacks. The Senate-passed bill includes \$1.4 billion in “contingent emergency” spending that is not related to the war effort, and is not offset by spending reductions.

HIGHLIGHTS

Overview

Table 2 on the next page shows a comparison by activity of the President, House and Senate versions of the emergency supplemental request. The discussion below summarizes those figures.

National Emergency Grants

The House provided \$300 million for the Department of Labor’s National Emergency grants to assist dislocated workers, \$100 million less than the Senate and \$450 million less than the President’s request.

Defense

The House included \$16.1 billion for defense (function 050) spending which is \$1.7 billion more than the Senate. The House added \$1.4 billion to the Defense Emergency Reserve Fund for mobilization and military operations including guard and reserve units.

New York

The President, House and Senate all agreed on the \$5.5 billion for New York City aid. The Senate moved \$90 million of FEMA funding to the Department of Health and Human Services [HHS] and earmarked it for a study to monitor the health of rescue/recovery personnel.

Homeland Security

The House provided \$5.4 billion for homeland security, \$2.6 billion less than the Senate. The Senate provided increased spending for transportation (Transportation Security Administration [TSA], Coast Guard and Federal Aviation Administration [FAA]), Federal Emergency Management Agency’s [FEMA] emergency management planning and grants and the acceleration of the Center for Disease Control’s [CDC] new facility construction.

Other Emergency Spending Unrelated to September 11

The Senate designated as an emergency, \$1.4 billion for a variety of domestic appropriations unrelated to September 11 which were not offset with reductions. These appropriations include Pell Grants (\$1 billion), veteran’s medical care (\$275 million), FEMA’s Cerro Grande Fire claims (\$80 million), Army Corps of Engineers for flood recovery in Illinois, Missouri and Michigan (\$22 million) and assistance to Rio Grande water users (\$10 million).

International Spending

The House included \$2.2 billion for International spending which was \$100 million more than the Senate (emergency and non-emergency funds.) The additional funds are for international aid and peacekeeping.

Nonemergency Spending

New domestic funding proposed by the Senate and not included in the House and President versions of the bill includes the following:

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Table 2: Comparison of Emergency Supplemental Appropriations by Activity
(fiscal year 2002 budget authority, in millions of dollars)

Category	Agency	President	House-Passed	Senate-Passed
EMERGENCY				
Defense	Defense	14,022	15,942	14,022
	Energy	26	132	330
	Subtotal	14,048	16,074	14,352
Homeland Security	FEMA	327	175	745
	Postal Service	87	87	87
	Transportation	4,678	4,362	5,606
	Justice	51	369	470
	Army Corps	0	128	0
	District of Columbia	0	0	68
	Treasury	0	63	76
	Interior	0	62	54
	HHS	0	38	387
	Agriculture	0	12	181
	Other	126	136	337
	Subtotal	5,269	5,432	8,011
International	International Assistance	1,166	1,697	1,626
	State	436	442	369
	Broadcasting	7	15	7
	Subtotal	1,609	2,154	2,002
Nat'l Emergency Grants	Labor	750	300	400
New York City	FEMA	2,750	2,750	2,660
	HUD	750	750	750
	HHS	0	0	90
	Transportation	1,967	1,967	1,967
	Subtotal	5,467	5,467	5,467
Other Emergency Not 9/11 Related	Pell Grant	Non-Emergency	Non-Emergency	1,000
	FEMA - Cerro Grande Fire	0	0	80
	Veterans	Non-Emergency	Non-Emergency	275
	Army Corps/Agriculture/Other	0	0	35
	Subtotal	0	0	1,390
SUBTOTAL: EMERGENCY		27,143	29,427	31,622
NON-EMERGENCY				
Offsets	Agriculture	75	75	232
	SEC	20	20	20
	Veterans	142	417	142
	Migration Assistance	0	0	50
	Transportation	0	25	175
	Election Reform Grants	0	450	450
	Pell Grant	1,276	1,000	Other Emergency
	Other	3	22	57
	Subtotal	1,516	2,009	1,126
	HHS	-50	-30	-43
	HUD	-20	-600	-350
	International Assistance	-157	-219	-234
	Agriculture	-9	-450	-67
Offsets	Airline Loan Program Delay	0	-1,254	0
	Transportation	0	-25	-320
	Non-specific Pell Reductions	-1,276	0	0
	Other	-18	-82	-219
	Subtotal	-1,530	-2,660	-1,233
Total		27,129	28,776	31,515

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- Emergency watershed protection for flood recovery in Illinois, Kentucky, Michigan, and West Virginia (\$73 million).
- AMTRAK capital grants (\$55 million).
- Funds to accelerate the construction of the National Animal Disease Lab at Ames, IA (\$50 million).
- National Ocean Service (\$26 million).
- Assistance for four northeastern States and fishermen (\$16 million).
- Army Corps of Engineers funding for flood recovery in West Virginia, Virginia, and Kentucky (\$10 million).
- Department of Interior funding for five wells in New Mexico (\$3 million).

The President and House limited nonemergency funding to include Pell Grants, veterans' medical care, the Special Supplemental Feeding Program for Women, Infants, and Children [WIC], and the Securities and Exchange Commission [SEC]. The House also included funding for election reform grants.

The President, House, and Senate offset nonemergency appropriations.

Offsets

The House and Senate versions of the bill share \$484 million in common rescissions. The House had \$2,176 million in additional offsets, including \$1,704 million due to obligation delays in the airline loan and Export Enhancement programs. The Senate had \$749 million in reductions not in the House-passed bill, including \$320 million in Federal highway aid contract authority reductions.

CHANGE IN HIGHWAY CAPS

Under the Transportation Efficiency Act for the 21st Century [TEA-21], spending from the Highway Trust Fund is tied to revenue flowing into the trust fund (which comes from Federal gasoline taxes). The House-passed version of H.R. 4775 eliminates the 2003 adjustment in the TEA-21 revenue aligned budget authority [RABA] formula. This results in a \$4.4-billion increase in the obligation limitation for the Federal Aid-Highways Program, and a \$1.2-billion increase in the 2003 cap for the highway category, to about \$27.7 billion. The House provision is consistent with the fiscal

year 2003 budget allocations and spending levels adopted in the House (H.Con.Res. 353).

The Senate-passed bill authorizes a higher obligation ceiling range for the Federal-aid Highway Program of at least \$27.746 billion, but no more than \$28.900 billion. The low end of this range accommodates the obligation limitation called for in the House resolution, while the high end accommodates the \$5.7-billion increase called for in the budget resolution reported by the Senate Budget Committee.

FISCAL YEAR 2003 BUDGET RESOLUTION

The House rule for the House supplemental appropriations bill provided that H.Con.Res. 353 – the budget resolution passed by the House on 20 March 2002 – will operate as though it were the conference agreement on the fiscal 2003 budget resolution. This ensures that the allocations and spending levels adopted in the House will be used for enforcement in the House.

Although the Senate Budget Committee reported a resolution, it is unlikely it will ever be considered on the Senate floor. There have been several unsuccessful attempts in the Senate to incorporate the Senate Budget Committee's higher discretionary spending level in its version of the supplemental bill. The Senate still has not agreed on fiscal year 2003 spending levels.

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